

Important Information for Taxpayers Eligibility for Statutory Personal Exemptions FY2016

The various exemption options available for Lynn taxpayers, along with specific eligibility requirements, are outlined below. Please note that some additional requirements not listed may apply in certain cases. The assessors will require documentation necessary to establish eligibility. All the requirements listed are set by state law and cannot be waived.

General Requirements

- For all the exemptions listed below, the filing deadline will be March 31, 2016, and must be made on an approved form available from the Assessing Department.
- Unless otherwise noted, an applicant must own and be domiciled in the property as of July 1, 2015.
- If a person holds a life estate in a property, for exemption purposes he is considered the owner.
- If title to the property is held in trust, the applicant must be both a trustee and have sufficient beneficial interest as of July 1, 2015, to qualify. Documentation of status as a trustee and beneficiary must be on record at the Registry of Deeds.
- An applicant must meet all other pertinent qualifications as of July 1, 2015.

Widows, Widowers & Minors with a Deceased Parent (Clause 17D)

- Applicant must have status as a widow, widower or minor with a deceased parent as of July 1, 2015.
- Excluding the property's value (if three units or less), the applicant's total estate as of July 1, 2015, cannot exceed \$60,938. Certain additional assets are also excluded. If the property has more than three residential units, or is partially non-residential in use, that part of the property's value will be included in the total estate, generally disqualifying the applicant.
- The amount of the exemption is \$175 per year.

Seniors over 70 Years of Age may qualify under Clause 17D or 41C

Clause 17D

- Applicant have owned and occupied the property since at least July 1, 2010.
- Applicant must be 70 years of age as of July 1, 2015. (If married, only the applicant must be 70.)
- Excluding the property's value (if three units or less), the applicant's total estate as of July 1, 2015, cannot exceed \$60,938. Certain additional assets are also excluded. If the property has more than three residential units, or is partially non-residential in use, that part of the property's value will be included in the total estate, generally disqualifying the applicant.
- The amount of the exemption is \$175 per year.

Clause 41C

- Applicant must have owned and occupied real estate in Massachusetts at some time for at least 5 years and have been a resident of Massachusetts since July 1, 2005. Generally, the applicant

must be sole owner of the property or own it solely with his/her spouse to qualify. (It is possible to receive a partial exemption if there is an owner other than the spouse, but that person must also meet the income and asset limits.)

- Applicant must be 70 years of age as of July 1, 2015. (If married, only the applicant must be 70.)
- Excluding the property's value (if three units or less), the applicant's total estate as of July 1, 2014, cannot exceed \$45,704 if married, or \$42,656 if single. Certain additional assets are also excluded. If the property has more than three residential units, or is partially non-residential in use, that part of the property's value will be included in the total estate, generally disqualifying the applicant. (This limit must also be met by any non-spouse owner.)
- Gross receipts (income) for calendar year 2014, assuming the individual is receiving Social Security or a railroad or government pension, cannot exceed \$29,629 if married, or \$23,652 if single. If not receiving SS or a qualifying pension, these limits will be lower. (This limit must also be met by any non-spouse owner.)
- The amount of the exemption is \$500 per year, unless prorated for co-ownership.

Disabled Veterans (Clauses 22, 22A, 22B, 22C, 22D, 22E, 22F)

- The various options are too numerous to list here. In general, exemptions are available for any veteran, spouse, or surviving spouse when the veteran lived in Massachusetts at least six months before enlisting, or has lived in Massachusetts since July 1, 2014, (or for one year preceding his death if deceased,) and a) had as of July 1, 2015, (or had at time of death,) at least a 10% service connected disability, or b) died after September 11, 2001, as a result of injury or disease incurred while being in a combat zone, or c) was awarded a Purple Heart, a Congressional Medal of Honor, or one of the service crosses, provided the applicant owns and is domiciled (along with the veteran if the applicant is a non-veteran spouse) in the property.
- The amount of these exemptions range from \$400 per year to the full tax bill. Contact the Assessing Department for specifics.

Active Duty Reservists and Guardsman Serving in Foreign Country (Clause 56)

- Applicant must have owned and been domiciled in the subject property on July 1, 2015, and must have been serving on active duty in a foreign country during the current fiscal year.
- Applicant must have been domiciled in Lynn since July 1, 2012.
- The exemption amount is 50% of the annual tax bill. If payment of any of the remaining 50% portion of the bill constitutes a hardship for the applicant, he/she may file for relief under clause 18 and 18A as indicated below.
- The deadline for filing is February 1, 2015, although the deadline may be extended in certain circumstances in accordance with 50 U.S.C. App. 526 (Servicemembers Civil Relief Act).

Blind Persons (Clause 37A)

- Applicant must provide a certificate from the Commission for the Blind establishing blindness as of July 1, 2015. In the first year only, a letter from a doctor establishing the applicant meets the state eligibility standards for blind status as of the qualification date may be substituted.
- The amount of the exemption is \$500 per year.

Senior Tax Deferral (Clause 41A)

- Applicant must have been a resident of Massachusetts since July 1, 2005, and have owned and been domiciled in the property or some other property in Massachusetts for five years. If a surviving spouse, the ownership requirement does not apply provided he/she inherited the property and otherwise qualifies.
- Applicant must be 65 years of age as of July 1, 2015.
- Gross receipts (income) cannot exceed \$40,000 for calendar year 2014.
- A qualified taxpayer can elect to defer all or any part of his tax for the fiscal year, and is still eligible for property tax exemptions. Taxes are currently deferred for FY2016 at the rate of 4.75% simple interest, which is adjusted yearly based on the July 1 prime rate. The taxpayer enters into an agreement with the City to repay the City with interest if he sells the property, or to have his estate repay the City with interest upon his death. A lien is recorded to protect the City. Any joint owner or mortgagee must provide written agreement to allow the deferral.

Hardship Exemption & Deferral (Clauses 18 & 18A)

- For the exemption, a person must satisfy the requirement that he cannot meet his tax obligation due to age, infirmity, **and** financial hardship (all three are required to qualify), or must be a national guardsman or reservists who is suffering from financial hardship due to his call up. If the taxpayer is 65 or over, it is the Board's policy not to grant a hardship exemption if the person otherwise qualifies for deferral of his taxes.
- For the deferral, the property owner must be unable to meet his tax obligation due to financial hardship or due to his military status being changed to active duty (excluding original enlistment), provided such person has been domiciled in the commonwealth since July 1, 2005. There is no minimum age requirement. The assessors may allow deferral at the rate of 4.75% simple interest (which is adjusted yearly based on the July 1 prime rate) of all or part of the taxes assessed up to a period of three consecutive years. A lien is recorded to protect the City. Any joint owner or mortgagee must provide written agreement to allow the deferral. Any deferred taxes must be repaid with interest in five equal installments over a five year period, commencing two years after the final year taxes are deferred (or payable in full, including interest, upon the sale of the property, or by the estate upon the applicant's death.) Any joint owner or mortgagee must provide written agreement to allow the deferral.

Please call the Assessing Department at 781-586-6702, or visit us in City Hall (Room 202) for additional information on any of these options. Our office hours are 8:30 AM to 4:00 PM, on Monday, Wednesday & Thursday, 8:30 AM to 8:00 PM, on Tuesday, and 8:30 AM to 12:30 AM, on Friday.